

Section 24

FOREIGN AND INTERSTATE COMMERCE

This section includes data on the flow of goods, services, and capital between Hawaii and the rest of the world, with particular emphasis on trade and investment involving foreign countries.

Imports to Hawaii from foreign nations rose from \$1.2 billion in 1978 to \$1.8 billion in 1988. Exports to foreign countries amounted to only \$138 million in 1978, but by 1988 reached \$573 million. These figures, it should be noted, refer to merchandise imports and exports through the Honolulu Customs District. They do not necessarily represent exports of commodities originating in Hawaii, nor imports for direct consumption within the State. Adjusted for actual origin and destination, Hawaii imports in 1988 were \$1.1 billion; exports, \$131 million.

Trade with the Mainland United States has similarly risen in the past decade. Merchandise received from the Mainland increased from \$3.1 billion in 1978 to \$7.5 billion in 1988. Estimates of the value of merchandise shipped to the Mainland are no longer available.

Among the foreign nations, Hawaii's leading trading partner in 1988 was Japan for both imports and exports. Imports for consumption from Japan amounted to \$482 million, or 26 percent of the total, while exports to Japan reached \$255 million or 44 percent of all foreign exports. Almost 45 percent of all imports for consumption were petroleum and natural gas and integrated circuits.

Honolulu Foreign Trade Zone No. 9 handled merchandise valued at \$63 million in fiscal 1989. Merchandise handled by Subzone No. 9A, the PRI refinery, was valued at \$978 million, almost all of it in petroleum and petroleum products. The other three subzones accounted for a combined total of \$371 million.

Foreign-owned businesses in Hawaii had property, plant, and equipment with a gross book value of \$3.5 billion in 1987, owned 57,000 acres, and employed 27,300 persons. Foreign investments in Hawaii between 1959 and 1989 totaled \$8.7 billion, four-fifths of it Japanese. During the 15-month period ended in March 1988, Japanese investors spent \$890 million on Hawaiian real estate.

Sources for statistics on interstate and foreign commerce include the U.S. Bureau of the Census and Bureau of Economic Analysis, Foreign Trade Zone No. 9 and its four subzones, and the DBED Trade and Industry Development Branch. Further information is found in waterborne cargo data compiled by the Army Corps of Engineers and cited in Section 18.

Comparable data for the nation as a whole appear in Section 29 of Statistical Abstract of the United States: 1990. Long-term Island trends are summarized in Historical Statistics of Hawaii, Section 21.

Table 701.-- INTERSTATE AND FOREIGN TRADE: 1970 TO 1988

[Merchandise imports and exports, foreign and domestic, in millions of dollars. For 1958-1969, see Data Book 1987, table 713]

Year	Merchandise imports					Merchandise exports, total <u>1/</u>
	Total	Domestic			Foreign	
		Total	Waterborne	Air <u>1/</u>		
1970	1,431.5	1,256.8	1,172.5	84.3	174.7	349.4
1971	1,258.1	1,034.6	888.7	145.9	223.6	380.8
1972	1,462.5	1,218.8	1,082.2	136.6	243.7	365.0
1973	1,892.9	1,578.0	1,460.1	117.9	314.9	493.9
1974	2,510.0	1,962.9	1,825.0	137.8	547.2	1,017.9
1975	2,843.0	2,044.8	1,872.8	172.0	798.2	844.7
1976	3,310.8	2,488.8	2,269.2	219.5	822.0	903.6
1977	3,792.1	2,885.1	2,648.3	236.8	907.1	938.4
1978	4,146.1	3,140.9	2,890.0	251.0	1,005.2	1,044.7
1979	5,001.2	3,897.0	3,636.9	260.1	1,104.3	1,182.3
1980	6,239.4	4,779.7	4,577.9	201.9	1,459.7	1,569.2
1981	6,241.3	4,716.1	4,500.2	215.9	1,525.2	1,289.2
1982	5,933.8	4,700.3	4,478.8	221.5	1,233.5	1,333.4
1983	6,461.8	5,096.3	4,856.6	239.7	1,365.5	1,440.7
1984	6,568.0	5,309.4	5,047.9	261.5	1,258.6	1,419.8
1985	6,981.2	5,564.2	5,290.2	274.0	1,417.0	1,336.3
1986	7,718.5	6,120.8	5,819.8	301.0	1,597.7	1,389.8
1987	8,604.6	6,685.8	6,376.0	309.8	1,918.8	1,445.3
1988	9,908.0	7,510.3	7,173.4	336.9	2,397.7	1,503.2

1/ Not available separately for foreign and domestic exports.

Source: Hawaii State Department of Business and Economic Development, Hawaii Gross State Product Accounts: 1958 to 1985; Summary Estimates: 1986, 1987, and 1988 (June 1989).

Table 702.-- FOREIGN TRADE THROUGH THE HONOLULU CUSTOMS DISTRICT:
1984 TO 1988

[Value, in millions of dollars, of U.S. imports and exports entered or exported through the Honolulu Customs District. The data may include imports intended for consumption on the Mainland and exports originated on the Mainland]

Subject	1984	1985	1986	1987	1988
General imports <u>1/</u>	1,614.2	1,756.3	1,556.9	1,770.1	1,839.6
Imports for consumption <u>1/</u> ..	1,397.9	1,553.1	1,425.4	1,558.6	1,559.1
Exports of foreign and domestic merchandise <u>2/</u> ...	316.9	388.8	231.1	392.8	572.6

1/ Customs value basis. Excludes vessels under their own power or afloat and shipments valued under \$251.

2/ Totals are on f.a.s. (free alongside ship) basis.

Source: U.S. Bureau of the Census, Highlights of U.S. Export and Import Trade, FT990, cumulative totals in December issues.

Table 703.-- FOREIGN TRADE THROUGH THE HONOLULU CUSTOMS DISTRICT, BY
METHOD OF TRANSPORTATION: 1988

[See headnote to preceding table]

Category	Value <u>1/</u> (million dollars)			Shipping weight (million lb.)	
	Total <u>2/</u>	Vessel	Air	Vessel	Air
General imports ...	1,839.6	984.0	993.6	8,589.7	32.4
Exports	572.6	106.6	239.9	1,154.0	39.4

1/ Customs value basis for imports; f.a.s. (free alongside ship) value basis for exports. See source for definitions.

2/ Includes categories not tabulated by method of transportation, not shown separately.

Source: U.S. Bureau of the Census, Highlights of U.S. Export and Import Trade, FT 990, December 1988, tables A-5 and B-9.

Table 704.-- IMPORTS AND EXPORTS, BY CUSTOMS DISTRICT AND
STATE OF ORIGIN AND DESTINATION: 1987 AND 1988

[In millions of dollars]

Subject	1987	1988
General imports (c.i.f. value basis):		
Entered through Honolulu Customs District	1,863.6	1,937.8
Destined for Hawaii <u>1/</u>	801.6	1,117.6
Exports (f.a.s. value basis):		
Cleared through Honolulu Customs District	392.8	572.6
Originated in Hawaii <u>1/</u>	151.7	130.7

1/ Includes commodities through customs districts other than Honolulu. Not available before 1987.

Source: U.S. Bureau of the Census, Highlights of U.S. Export and Import Trade, December 1987, FT 990 (June 1988), tables A-11, B-6, and C-10; Highlights of U.S. Export and Import Trade, December 1988, FT 990 (June 1989), tables A-5 and B-9; and records.

Table 705.-- IMPORTS AND EXPORTS THROUGH THE HONOLULU CUSTOMS DISTRICT,
BY REGION OF ORIGIN OR DESTINATION: 1987 AND 1988

[In dollars. Includes all foreign trade through the Honolulu Customs District, and thus may include imports intended for consumption in other States or exports originated in other States. Excludes imports intended for consumption in Hawaii but entering through other customs districts, and exports originated in Hawaii but shipped through other customs districts]

Region	Imports for consumption		Exports of domestic merchandise	
	1987	1988	1987	1988
All regions	1,558,625,780	1,839,632,442	392,820,689	581,122,182
Africa	5,518,006	426,432	4,870	166,451
Asia	1,376,898,490	1,426,600,773	244,820,744	340,739,122
Australia and Oceania ...	91,661,864	128,063,148	115,769,567	218,213,347
Europe	50,938,574	252,321,619	7,377,732	10,386,456
Latin America ^{1/}	3,804,159	29,588,536	4,324,136	11,088,675
North America ^{2/}	29,804,687	2,631,934	20,523,640	528,131

^{1/} Includes Central and South America, Bermuda, and the Caribbean.

^{2/} Excluding Latin America.

Source: Hawaii State Department of Business, Economic Development & Tourism, Trade and Industry Development Branch, Hawaii's Foreign Trade, A Statistical Digest (annual). Compiled from U.S. Bureau of the Census tapes.

Table 706.-- IMPORTS AND EXPORTS THROUGH THE HONOLULU CUSTOMS DISTRICT,
TOTAL AND BY LEADING COUNTRIES OF ORIGIN OR DESTINATION: 1988

[See headnote to preceding table]

Country	Total	Imports for consumption	Exports of domestic merchandise
All countries	2,420,754,624	1,839,632,442	581,122,182
Japan	737,310,928	482,205,755	255,105,173
Singapore	268,510,004	233,144,502	35,365,502
Australia	242,716,402	102,978,024	139,738,378
Indonesia	195,615,850	193,804,608	1,811,242
Taiwan	191,703,164	173,655,721	18,047,443
Philippines	123,494,003	120,110,952	3,383,051
Korea, Republic of	93,310,625	78,154,340	15,156,285
France	87,345,957	86,872,043	473,914
Italy	71,357,508	71,273,248	84,260
New Zealand	58,623,001	23,010,806	35,612,195
China, People's Republic of .	54,660,589	53,406,493	1,254,096
Hong Kong	47,422,954	38,680,487	8,742,467
Canada	35,018,897	26,020,524	8,998,373
Switzerland	33,114,662	33,069,620	45,042
Malaysia	25,566,362	25,429,244	137,118
United Kingdom of Great Britain & Northern Ireland	25,248,975	22,710,255	2,538,720
Marshall Islands	24,431,956	90,851	24,341,105
Germany, Federal Republic of	11,511,594	11,481,415	30,179
Netherlands	9,742,299	4,766,106	4,976,193
Papua New Guinea	9,411,462	10,433	9,401,029
Thailand	9,380,628	7,868,569	1,512,059
Spain	7,501,195	7,384,479	116,716
Saudi Arabia	7,381,349	7,381,349	-
Nepal	5,515,909	5,515,909	-
Denmark	4,775,617	4,775,617	-

Source: Hawaii State Department of Business, Economic Development, & Tourism, Trade and Industry Development Branch, Hawaii's Foreign Trade 1988, A Statistical Digest (August 1990), table 2. Compiled from U.S. Bureau of the Census tapes.

Table 707.-- IMPORTS AND EXPORTS THROUGH THE HONOLULU CUSTOMS DISTRICT,
BY COMMODITY CLASSIFICATION: 1988

[See headnote to table 705]

Commodity	Imports for consumption	Exports of domestic mdse.
All commodities	1,839,632,442	581,122,182
Animal and vegetable products	146,817,835	63,427,692
Wood and paper; printed matter	28,560,710	11,819,925
Textile fibers and products	52,117,466	3,088,094
Chemicals and related products	403,582,675	39,932,293
Petroleum, natural gas	371,625,035	26,341,010
Other chemicals and related products	31,957,640	13,591,283
Nonmetallic minerals and products	34,321,426	2,482,298
Metals, machinery and transp. equip.	865,168,828	388,387,953
Integrated circuits	459,612,484	(1/)
Motor vehicles	280,204,601	(1/)
Aircraft and spacecraft	(1/)	279,646,133
Other metals, machinery and transp. equip.	125,351,743	108,741,820
Specified miscellaneous products	288,171,500	63,293,437
Special classification provisions	20,892,002	8,690,490

1/ Included with "other metals, machinery and transportation equipment."

Source: Hawaii State Department of Business, Economic Development & Tourism, Trade and Industry Development Branch, Hawaii's Foreign Trade 1988, A Statistical Digest (August 1990), tables 7, 8, 9, 20, 21, 23 and 26.

Table 708.-- FOREIGN-TRADE ZONE AND SUBZONE OPERATIONS: 1986 TO 1989

[Years ended September 30]

Subject	1986	1987	1988	1989
Zone No. 9:				
Firms using zone	302	400	386	393
User employment at zone <u>1/</u> ...	200	299	216	223
Value of merchandise (\$1,000):				
In/out	53,890	72,951	57,241	62,747
Exports	6,416	10,070	12,026	9,086
Revenue (\$1,000)	1,283	1,220	1,247	1,508
Expenditures (\$1,000)	1,102	1,052	1,119	1,183
Subzone No. 9-A:				
User employment at subzone <u>1/</u>	210	213	233	243
Quantity (1,000 short tons):				
Merchandise, in/out	7,717.5	8,107.9	8,581.0	9,349.8
Exports	1,560.0	1,825.0	1,782.7	1,865.0
Value (million dollars):				
Merchandise, in/out	922.3	861.0	865.9	978.1
Exports	198.4	196.2	186.0	199.8
Subzone No. 9-B:				
User employment at subzone <u>1/</u>	6	7	17	19
Value (\$1,000):				
Merchandise, in/out	448	1,556	4,724	6,434
Exports	220	778	2,372	3,210
Subzone No. 9-C:				
User employment at subzone <u>1/</u>	2,400	2,000	2,071	1,520
Value (million dollars):				
Merchandise, in/out	300.8	267.3	273.7	282.1
Exports	16.2	16.0	16.5	12.7
Subzone No. 9-D:				
User employment at subzone ...	1,000	1,250	1,250	1,250
Value (\$1,000):				
Merchandise, in/out	23,646	73,988	92,444	82,326
Exports	124	1,756	3,149	2,434

1/ For firms occupying facilities on a continuing basis only.

Source: Hawaii State Department of Business and Economic Development, Foreign-Trade Zone No. 9, annual reports and records.

Table 709.-- EMPLOYMENT AND PROPERTY, PLANT AND EQUIPMENT OF HAWAII
AFFILIATES OF FOREIGN COMPANIES: 1986 AND 1987

[Data for Hawaii nonbank affiliates of U.S. business enterprises owned
10 percent or more, directly or indirectly, by a foreign person]

Subject	1986	1987
Employment, by country of ultimate beneficial owner (1,000) ..	18.4	27.3
Canada7	.7
United Kingdom	1.3	.4
Other Europe5	.6
Latin America, Africa, Middle East	2.1	2.8
Asia and Pacific	13.7	22.8
Australia	1.1	1.4
Japan	10.9	20.6
Property, plant, and equipment (million dollars)	2,013	3,474
Commercial	2,848
Other	626
Land owned (1,000 acres)	52	57

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "U.S. Affiliates of Foreign Companies: 1987 Benchmark Survey Results," Survey of Current Business, July 1989, pp. 116-139, and "U.S. Affiliates of Foreign Companies: Operations in 1988," Survey of Current Business, July 1990, pp. 127-144. The 1987 estimates, except for acreage, are revisions.

Table 710.-- EMPLOYMENT AND SHIPMENTS RELATED TO MANUFACTURED EXPORTS: 1985 AND 1986

Subject	1985	1986
Employment related to manufactured exports	5,300	5,300
Percent of civilian employment	1.1	1.1
Manufacturing industries	800	700
Direct export related	300	200
Supporting exports	500	500
Nonmanufacturing industries	4,500	4,600
Trade	3,500	3,600
Other	1,000	1,000
Value of export related manufacturers' shipments <u>1/</u>	469.9	317.9
Percent of total manufacturers' shipments	13.5	10.3
Direct exports <u>1/</u>	352.4	214.3
Supporting exports <u>1/</u>	117.5	103.6

1/ Million dollars.

Source: U.S. Bureau of the Census, "Exports from Manufacturing Establishments: 1985 and 1986," Manufacturing Analytical Report Series, AR86-1 (1989), pp. 20-23.

Table 711.-- JAPANESE OWNERSHIP OF HOTELS, BY ISLANDS: FEBRUARY 1989

Subject	State total	Ha-waii	Maui	Lanai	Molo-kai	Oahu	Kauai
Number of hotels ...	44	6	4	-	1	31	2
Number of units	20,525	1,794	2,331	-	292	15,167	941
Percent <u>1/</u>	30.2	22.0	17.4	0	52.2	41.6	12.7

1/ Percent of all units, including condominium accommodations in rental pools for transient use.

Source: DBED tabulation based mostly on Hawaii Visitors Bureau, 1989 Visitor Plant Inventory.

Table 712.-- AGRICULTURAL LANDHOLDINGS OF FOREIGN OWNERS:
DECEMBER 31, 1988 AND 1989

Subject	1988	1989
Parcels owned by foreigners	50	70
Individuals	15	15
Organizations	35	55
Acres owned by foreigners	53,895	106,559
Percent of all privately owned agricultural land ^{1/} ...	2.7	5.3
Individuals	548	548
Organizations	53,347	106,011
Value of foreign-owned agricultural land (\$1,000):		
At time of acquisition	71,162	329,458
Adjusted current value	57,702	325,257

^{1/} The 1989 percent for Hawaii ranked second among the 50 States, exceeded only by Maine (11.0 percent), and well above the national percentage (1.0).

Source: U.S. Department of Agriculture, Economic Research Service, Foreign Ownership of U.S. Agricultural Land Through December 31, 1988 (Staff Report No. AGES 89-14, April 1989), pp. 5, 8, and 11, and Foreign Ownership of U.S. Agricultural Land Through December 31, 1989 (Staff Report No. AGES 9026, May 1990), pp. 6, 9, and 13.

Table 713.-- FOREIGN INVESTMENTS IN HAWAII, TOTAL AND
JAPANESE: PRE-1970 TO 1989

[In thousands of dollars. Data are estimates based on incomplete reporting, and do not include undisclosed amounts]

Year	Total foreign investments	Investments by Japanese
Total completed	8,689,581	7,098,074
1970 and earlier years	48,770	44,970
1971-1975	452,069	327,869
1976	120,740	55,940
1977	32,200	17,800
1978	44,500	13,500
1979	297,470	165,250
1980	124,485	80,100
1981	108,775	70,800
1982	629,880	489,880
1983	141,176	134,900
1984	221,100	130,500
1985	140,224	121,154
1986	1,151,354	1,107,854
1987	1,306,025	1,107,025
1988	1,886,663	1,747,682
1989	1,984,150	1,482,850
Future investments	1,606,200	1,271,200

Source follows table 688.

Table 714.-- FOREIGN INVESTMENTS IN HAWAII, BY COUNTRY OF INVESTOR:
PRE-1970 TO 1989

[In thousands of dollars. Data are estimates based on incomplete reporting, and do not include undisclosed amounts]

Country of investor	Pre-1970 through 1989	1987	1988	1989
All countries	8,689,581	1,306,025	1,886,663	1,984,150
Australia	636,381	57,900	68,581	400,000
Bermuda	500	-	-	(NA)
British West Indies ...	575	-	-	-
Canada	179,570	2,700	(NA)	22,200
Cayman Islands	8,500	(NA)	(NA)	-
France	19,900	-	-	4,000
Hong Kong	291,895	(NA)	60,000	(NA)
Indonesia	148,600	82,000	-	66,600
Japan	7,098,074	1,107,025	1,747,682	1,482,850
Korea, Republic of	11,550	(NA)	-	-
Netherlands	19,600	3,400	-	-
Netherlands Antilles ..	17,735	-	-	-
New Zealand	38,400	23,000	10,400	-
Singapore	(NA)	-	-	-
Switzerland	(NA)	(NA)	-	(NA)
Taiwan	22,000	-	-	8,500
United Arab Emirates ..	(NA)	-	-	-
United Kingdom	193,801	30,000	(NA)	(NA)
Vanuatu	2,500	-	-	-

NA Not available.

Source follows table 715.

Table 715.-- FOREIGN INVESTMENTS IN HAWAII, BY TYPE OF INVESTMENT:
PRE-1970 TO 1989

[In thousands of dollars. Data are estimates based on incomplete reporting, and do not include undisclosed amounts]

Type of investment	Pre-1970 through 1989		All countries		
	All countries	Japanese investments	1987	1988	1989
All types	8,689,581	7,098,074	1,306,025	1,886,663	1,984,150
Agriculture.....	46,200	7,400	1,600	11,000	2,000
Banks	28,801	17,001	-	382	2,900
Condominiums	751,550	501,450	90,800	136,550	23,750
Golf courses	114,550	114,550	-	5,250	-
Hotels	3,483,801	3,238,620	659,370	921,031	319,500
Manufacturing	444,330	32,830	23,500	(NA)	400,000
Other real estate	3,347,830	2,905,125	487,585	756,500	1,152,000
Restaurants	44,245	40,520	5,770	4,200	(NA)
Retailing, wholesaling	149,029	138,804	(NA)	4,350	79,000
Science, education ...	87,201	7,500	33,400	-	(NA)
Miscellaneous	192,044	94,274	4,000	47,400	5,000

NA Not available.

Source: Hawaii State Department of Business, Economic Development & Tourism, Trade and Industry Development Branch, A Listing of Foreign Investments in Hawaii, December 31, 1989, pp. 95-97.

Table 716.-- JAPANESE INVESTMENT IN HAWAII REAL ESTATE:
1986 TO 1989

Year and category	Million dollars
1986, total	1,200
1987, total	1,400
1989, total	1,870
1989, total	2,786.2
Hotels and resorts	1,257.3
Office buildings, commercial property	417.0
Businesses	157.5
Acreage, miscellaneous	794.2
Residential	160.2

Source: Greg Wiles, "'89 Japan investment here a record,"
Sunday Star-Bulletin & Advertiser, April 8, 1990, pp. B-4, B-5.

Table 717.-- JAPANESE INVESTMENT IN REAL ESTATE, FOR THE UNITED STATES, HAWAII
AND HONOLULU METROPOLITAN STATISTICAL AREA: 1989 AND EARLIER YEARS

Period	United States (bil. dol.)	Hawaii		Honolulu MSA	
		Amount (bil. dol.)	Rank	Amount (mil. dol.)	Rank
1987	12.77	3.33	1	(NA)	(NA)
1988	16.54	1.83	4	1,325	4
1989	14.77	4.44	2	1,064	4
Cumulative:					
Through 1987 ...	26.34	7.24	1	4,420	3
Through 1988 ...	42.88	9.07	2	5,745	(NA)
Through 1989 ...	57.66	13.50	2	6,809	(NA)

NA Not available.

Source: Kenneth Leventhal & Company, 1989 Japanese Investment in United States Real Estate (1990), pp. 1, 10, and 15.

Table 718.-- CHARACTERISTICS OF JAPANESE REAL ESTATE INVESTMENTS,
FOR THE STATE AND HONOLULU MSA: 1989

Subject	State total	Honolulu MSA
Amount (million dollars)	4,437	1,064
Average transaction (million dollars)	55.5	28.0
Leading property types (percent):		
Hotel/resort	43	33
Land	20	19
Residential	14	(1/)
Mixed use	(1/)	17
Leading investment methods (percent):		
Existing property, full purchase	35	60
New construction, joint venture	25	21
Leading investor types (percent):		
Construction/development	54	33
Individual/investment company	20	40
Miscellaneous public/private company	19	23

1/ Not among top three types.

Source: Kenneth Leventhal & Company, 1989 Japanese Investment in United States Real Estate (1990), pp. 12, 13, 18, and 19.